

**GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA**

UNSTARRED QUESTION NO:4804

ANSWERED ON:25.04.2000

MEGA FERTILIZER PROJECTS

ASHOK NAMDEORAO MOHOL;DR. KIRIT SOMAIYA

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

- (a) whether the Government have decided to shelve two mega fertilizer projects recently despite the fact that these were approved last year;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether Public Investment Board has raised objection in this regard;
- (d) if so, the details thereof; and
- (e) the number of urea projects under consideration of the Government for 2000-01?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS

(SHRI RAMESH BAIS)

(a) to (e): Following four urea projects in the Public/Cooperative sector to be setup within the country were accorded 'in principle' approval by the Government in April, 1999, subject to investment appraisal by Public Investment Board (PIB).

i) Expansion of Hazira plant of KRIBHCO in Gujarat.

ii) A new urea plant to be set up by KRIBHCO at the existing site of FCI's Gorakhpur Plant in Uttar Pradesh.

iii) Expansion of Thal Plant of RCF in Maharashtra.

iv) A grassroots urea plant to be set up by IFFCO at Nellore in Andhra Pradesh.

Investment appraisal of these projects was undertaken by the PIB in July, 1999. The observations of the PIB relate inter-alia to the need to stagger implementation of these projects due to demand supply gap forecast; as also the desirability of encouraging use of LNG as feedstock for future urea capacity additions in the country to reduce the incidence of subsidy. Action for obtaining the Government's decision with regard to the four projects on the basis of PIB's observations has been initiated. The Government have also decided not to encourage new capacities for production of urea in the country till the year 2003-04, over and above the aforementioned four urea projects, on account of the near self-sufficiency achieved in production of urea and also on the assessment of the demand supply scenario till the year 2003-04.